operations, instead of just operating within the country. Therefore, it is not possible with its present fleet of A-320 aircraft to go on long haul operations. As a result of this changed approach of allowing the Indian Airlines to go on long haul operations, we have asked the Indian Airlines to examine this possibility. They have informed us that the Board of Directors of the Indian Airlines has accorded in-principle approval to induction of 12 wide body aircraft on dry lease for a period of five years. The hon. Member wanted to know about the type of aircraft. Tenders have been invited for 12 aircraft on dry lease. These aircrafts are: A-330/A-340/A-310 and 300/B-767 ER version and Boeing/B-777 wide body aircraft on lease for a period of five years. These are the types of aircraft which have been sought to be inducted. I think tenders have been received, but I do not know the exact date because global tenders were issued on 31st March, 2005. I am sorry. Tenders have been received and offers are being evaluated, as has been informed to me by the Board of Directors of the Indian Airlines.

Different rates of interest on bank loans to SSI Sector

*550. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the public sector banks of the country give loans to Small Scale Industries on different rates of interest;

(b) if so, the reasons therefor;

(c) whether Government propose to adopt uniform policy with respect to the nationalised banks in the matter of sanctioning loans to SSI Units; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) and (b) The lending rates of commercial banks have been deregulated by the Reserve Bank of India (RBI) Banks are free to set their lending rates based on their risk reward considerations and commercial judgement. However, for loans up to Rs. 2 lakh, the Benchmark Prime Lending Rate (BPLR) continues to be the celling.

(c) and (d) Government does not regulate or advise banks on interest rates charged by them. However, in order to enhance transparency in

pricing of bank loan products as also to insure that the BPLR truly reflects the actual costs, the Indian Banks' Association (IBA) has advised all commercial banks to determine BPLR on the basis of weighted average cost of funds, average cost of operations and appropriate provisioning/ capital charge and profit margin. In order to promote transparency, the BPLR of different banks is made available on the website of the IBA and RBI.

The following steps have also been initiated to give benefits of softer interest rate to Small and Medium Industries:—

(i) The Indian Banks' Association has advised banks to adopt the interest rate band of 2 per cent above and below its BPLR for secured advances.

(ii) Banks have also been advised to fix atleast 3 slabs of rate of interest for loans up to Rs. 50,000; between Rs. 50,000 and Rs. 2 lakh and above Rs. 2 lakh

All the public sector banks have implemented the above instructions.

प्रो॰ एम॰एम॰ अग्रवाल: सर, मंत्री जी ने मेरे प्रश्न का उत्तर जो मैंने माँगा, वही दे दिया।

श्री सभापति: तो फिर आप बैठ जाइए। अगर आप सप्लीमेंटरी करेंगे तो वे उल्टा बोल देंगे ।

प्रो॰ एम॰एम॰ अग्रवाल: सप्लीमेंटरी नहीं बोलूंगा।

श्री सभापति: तो बैठ जाइए। नेक्स्ट क्वैश्चन, 551।

प्रो॰ एम॰एम॰ अग्रवाल: फिर जवाब का क्या फायदा हुआ। सर, मेरी बात तो सुन लीजिए।

श्री सभापति: आपकी बात मैंने सुन ली, आपने मंत्री जी की तारीफ कर दी, अब क्या सुनूँ।

प्रो॰ एम॰एम॰ अग्रवाल: मैंने तारीफ कहाँ की है, मैं तो बुराई कर रहा हूँ। मैंने मंत्री जी से कहा है कि यह बताइए कि स्माल स्केल को सब बैंक अलग-अलग रेट ऑफ् इंटरेस्ट पर रुपया क्यों उधार देते हैं, एक ही रेट पर क्यों नहीं देते हैं, जिससे वे डेवलप कर सकें?

श्री सभापति: आप लम्बा क्वैश्चन करेंगे तो इसका जवाब नहीं आएगा।

प्रो॰ एम॰एम॰ अग्रवाल: क्वैश्चन लम्बा नहीं है।

श्री सभापति: तो फिर पूछ लीजिए।

प्रो॰ एम॰एम॰ अग्रवाल: ये इसे सुधारने का प्रयास करेंगे या नहीं?

श्री सभापति: कहिए ऑनरेबल मिनिस्टर साहब।

SHRI P. CHIDAMBARAM: Sir, as I said in my answer, the Indian Banks Association advise the banks to adopt the interest rate band, plus or

minus two per cent of the Benchmark Prime Lending Rate (BPLR). And the bank have also been advised to have three slab rates, which I have given in my answer; that is, upto Rs. 50,000, between Rs. 50,000 and Rs. 2 lakhs and above Rs. 2 lakhs. This is the extent to which, I think, there can be a certain voluntary discipline and voluntary guideline for lending. Beyond that, if either the IBA or the Government interferes with the price mechanism of banks, I think, that is a bad practice... (*interruptions*)... Let me complete my answer...(*Interruptions*)... I have not completed my answer...

MR. CHAIRMAN: Let him reply...(*Interruptions*)...

प्रो॰ एम॰ एम॰ अग्रवाल: मेरी बात सुन लीजिए। सर, इसका जवाब तो आया हुआ है।

श्री सभापति: आया हुआ है तो क्यों पूछा आपने?

प्रो॰ एम॰ एम॰ अग्रवाल: मैंने इसलिए पूछा कि ये उसे सुधारेंगे या नहीं।

श्री सभापति: ये कह रहे हैं कि सुधारेंगे या नहीं।

प्रो॰ एम॰ एम॰ अग्रवाल: वे तो वही पढ़ कर सुना रहे हैं।

श्री सभापति: ये आपके क्वैश्चन को भी सुधार देंगे, क्वैश्चन का जवाब भी सुधार देंगे और आपको भी सुधार देंगे।

श्री सभापति: नेक्स्ट क्वैश्चन, 551।

Mid-term appraisal of oil PSUs

*551. SHRI MOOLCHAND MEENA:
DR. T. SUBBARAMI REDDY:††

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether taking note of their incorrect investment pattern in oil and gas sector, Central Public Sector Undertakings *viz.* ONGC, IOCL, HPCL, BPCL, GAIL and OIL have been urged to improve their intrinsic competitiveness and professional functioning.

(b) if so, whether during discussions in mid-term appraisal it was felt that there is a need to restructure the oil companies to attain sectoral objectives;

(c) if so, what suggestions were made by the Planning Panel and how many of its recommendations have been accepted by the Ministry; and

††The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.